GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1534
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SETTING UP OF GROWTH FUND BY SIDBI
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Will the Minister of FINANCE be pleased to state:

(a) whether the Small Industries Development Bank of India (SIDBI) has set up a national level growth fund;

(b) if so, the details thereof;

(c) the sectors in which the SIDBI proposes to finance from such growth fund; and

(d) the targets fixed and achieved by SIDBI during each of the last two years?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b); SIDBI has launched a national level venture fund viz., SME Growth Fund (SGF), with a corpus of Rs.500 crore and with the primary investment objective to achieve medium to long term capital appreciation by making investments in equity, equity related instruments including convertible instruments in unlisted companies/growth oriented SMEs as per SEBI guidelines. SGF was inaugurated on October 25, 2004 as a General Fund with SIDBI Venture Capital Ltd. (SVCL) as its Investment Manager. Besides SIDBI, 8 public sector banks have contributed to the corpus of SGF. Investments are made in companies undertaking early stage or first/second stage of financing with a track record of proven technology or business model and/or growth and earnings.

(c) SGF focuses on small scale units in pharma, bio-tech, light engineering, software, IT and other growth oriented knowledge based industries.

(d) Under the above Growth Fund, no targets have been fixed. However, the sanctions and disbursements under SGF during each of the last two years are as under:

(Rs.in crore)

	Sanctions	Disbursements
FY2005	26.00	10.50
FY2006	98.82	33.42